

**KWAZULU-NATAL PROVINCE****ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA**

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Programme 4: Economic Research, Strategy and Planning
Branch: Statistical Databases and Knowledge Management

TO	Dr. T. Ellenson Acting Head of Department: Economic Development, Tourism and Environmental Affairs (EDTEA)
FROM	Ms. Irasha Singh Assistant Director: Statistical Database
CC	Mr. Khaya Mthethwa Chief Financial Officer
CC	Mr. Cosmas Hamadziripi Chief Director: Economic Research, Strategy and Planning (ERSP)
CC	Ms. Dharshini Raichund Director: Supply Chain Management (SCM)
CC	Ms. Mbali Lunga Deputy Director: Knowledge Management
SUBJECT	Request for the Acting Head of Department to Approve deviation from Normal SCM Process and Allow the use of General Contract for a Single Sourcing Procedure to renew Data Subscription to Quantec at a value of R 304 000.00
DATE	09/06/2024

1. THE PURPOSE OF THE SUBMISSION

To request approval from the Acting Head of Department to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022- Enhancing compliance, transparency and accountability in supply chain management to Quantec being a single sourced service provider for an

amount of R 304 000.00 (Three Hundred and Four Thousand Rand) for (Economic Data subscription) for a period of one (1) year, from 31st July 2024 to 31st July 2025).

2. BACKGROUND AND DISCUSSION

- 2.1 The Statistical Database and Knowledge Management (SD and KM Unit) unit's core function is to use Economic Data to develop and analyse provincial and national policies. Economic data is used to set policy targets and contribute to strategic plans for EDTEA and other stakeholders including district and local municipalities. National economic indicators are compiled by Statistics South Africa (Stats SA) are limited and does not encompass all focus areas of data required by the unit, and excludes economic indicators at a district/metropolitan and local municipalities level.
- 2.2 In addition, the economic statistics that Stats SA provides are not frequently and in cases where data is not available on Stats SA database, the SD and KM unit utilizes private databases such as IHS Markit Regional Explorer and Quantec.
- 2.3 The Quantec database covers a number of provincial, district and local municipal economic indicators that are required by Policy and Planning unit to undertake economic research, policy and strategy formulation. The Quantec database is available from national, provincial, district/ metropolitan and local levels. Quantec is constantly updated and indicators have been broken-down to provincial, district/ metropolitan and local levels. The Department subscribes to Quantec to access indicators in the following modules:
 - Macroeconomic module
 - Industry analysis data
 - International trade data
 - Regional data

3. LINKAGES TO STRATEGIC GOALS AND OBJECTIVES

- 3.1 The S&D and KM unit is mandated is to provide the department updated reports and information on economic policy and the economy in general. The unit is responsible for developing, facilitating and implementing sound provincial economic policies and strategies based amongst other factors, on analysis of economic data and

stakeholder consultations representing various subject matters in the area of government economic operations.

3.2 To achieve the aforementioned mandate, the unit constantly tracks economic developments and policy pronouncements in the province and South Africa through the use of credible economic data sources which get to be analysed using different quantitative analytical tools. In addition, as a value-added service the unit receives data requests for economic data from key stakeholders in government, private sector and civil society.

3.3 The unit also achieves its mandate through publishing quarterly economic overview and regular sector analysis reports which track economic performance of various sectors in the province. This information is critical for policy makers, potential investors and other stakeholders for decision making purposes. The unit requires access to up-to-date monthly, quarterly and yearly economic data to achieve its mandate.

4. REASON FOR DEVIATION (FURNISH REASON FOR DEVIATION)

TYPE OF DEVIATION	REASONS FOR DEVIATION
SINGLE SOURCE SUPPLIER	4.1 Currently, in South Africa the only freely available database of economic indicators is housed at Statistics South Africa (Stats SA), which mainly has National data series. The available database provided by Stats SA is supplied on a quarterly basis and not broken down to provincial, district or local levels, therefore it does not give enough data on regional economy. District and Municipal data are limited to Surveys and Census (i.e. Census 2011, Community Survey 2016 and the recent Census in 2022) conducted by Stats SA every 5 to 10 years. These data sources make it difficult to analyse Provincial or local economic trends.

TYPE OF DEVIATION	REASONS FOR DEVIATION
	Availability of up-to-date Provincial data series assists the Department in reporting through PGDG structures, action working groups (AWG) on the Status of the Provincial or Local Economies and for benchmarking or setting provincial targets. In addition, some of Stats SA's data on provincial, district and local municipalities is not updated regularly and this limits the role of economic and policy analysis. 4.2 There are two main companies who do econometric modeling to 'digest' national statistics and break it down to the Provincial, District and Local levels, namely; IHS Markit and Quantec. EDTEA has over the years made subscriptions to both companies as they produce highly standardized and somewhat different sets of data. For completeness and to allow comparisons and in-depth analysis, the unit subscribes to both data sources. Furthermore, two sources are used interchangeably depending on the task at hand and level of analysis and frequency required. The statistical data industry in the country is monopolized by the aforementioned companies together Statistics South Africa and to some extent the South African Reserve Bank (who publishes national monetary statistics). 4.3 Quantec provides a compilation of data sets from Global, National, Provincial, Metropolitan, District and to Municipal level. This makes the use of the data comparable across the different spheres. The data is in time series dating back as far as 1996 which shows long term trends and current forecast

TYPE OF DEVIATION	REASONS FOR DEVIATION
	tool provides information to the year 2026. The data provided by Quantec has been used to assist Municipalities with socio-economic data which is necessary for the formulation of IDPs and Spatial Development Frameworks. From time to time, the unit receives data requests from a number of other stakeholders in the province. The data from the database is also used internally within EDTEA to inform strategic planning frameworks such as the Annual Performance Plan (APP), annual budgets, strategic plans, executive pronouncements amongst other uses.

5. LEGAL FRAMEWORK

SCM Instruction Note 3 of 2021/2022 enhancing compliance, transparency and accountability in supply chain management.

Deviation from Normal Bidding Processes

If in a specific case it is impractical to invite competitive bids, the AO/AA may procure the required goods and services by other means, provided that the reasons for deviating from competitive bids must be recorded and approved by the AO/AA.

Other means include

- a) Limited bidding
- b) Written price quotations within the threshold determined by National Treasury Instructions; and
- c) Procurement that occurs in emergency situations and urgent cases

Treasury Regulation 16A 6.4

"If in a specific case it is impractical to invite competitive bids, the Accounting Officer or Accounting Authority may procure the required goods or services by other means,

provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Officer or Accounting Authority."

6. SERVICE PROVIDER DETAILS

- 6.1 Name: Quantec Enterprises (Pty) Ltd
- 6.2 CSD number: MAAA0536152
- 6.3 BBBEE Status of the Supplier: Level 4
- 6.4 Tax Status: Compliant
- 6.5 Vat Registration No.: 4120278983
- 6.6 State Employee ~~Yes~~/No
- 6.7 Tender Default Register: ~~Yes~~/No

7. VALUE FOR MONEY/ MARKET ANALYSIS

The comparison in Prices with other data service providers of similar nature such as IHS Markit Regional Explorer is R 314 030.50 databases shows that the price quoted is within market range. The subscriptions for Quantec is R 304 000.00 (Three Hundred and Four Thousand Rand) which includes licenses for 20 users for the department.

8. FINANCIAL IMPLICATIONS

- The complete cost for the service is R 304 000.00 (Three Hundred and Four Thousand Rand), for a period of One (1) year (from 1st August 2024 to 31st July 2025). The Quantec quote is attached hereto.
- The service is accordingly budgeted for and funded from, Statistical Database and Knowledge Management programme budgeted in the 2024/25 financial year.

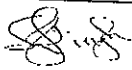
9. COMPULSORY DOCUMENTS TO BE ATTACHED TO THIS SUBMISSION:

Annexure A – Specifications

Annexure B – Quotation from service provider.

Annexure C - SBD4 - Bid Disclosure Form

10. ADMINISTRATION AND PROCESS SIGN OFF

NAME	ROLE	SIGNATURE	COMMENTS	DATE
Ms. Irasha Singh	Assistant Director: Statistical Database			16/06/2024
Ms. Mbali Lunga	Deputy Director: Knowledge Management			18/06/2024
Mr. Cosmas Hamadziripi	Chief Director: Economic Planning	Signed by: Cosmas Hamadziripi Signed at: 2024-06-18 15:24:02 +02:00 Reason: I approve this document. 	The department subscribes to private sector data providers for estimates of regional and local level data which is ordinarily not available from Statistics South Africa.. This data is important for economic and policy decisions, formulation and	18/06/24
Ms. Dharshini Raichund	Director: Supply Chain Management	Signed by: Dharshini Raichund Signed at: 2024-06-18 15:28:18 +02:00 Reason: I approve this document. 		18/06/24
Mr. Khaya Mthethwa	Chief Financial Officer	Signed by: Khayile Njabulo Mthethwa Signed at: 2024-06-18 16:32:18 +02:00 Reason: I approve this document. 		18/06/24

11. APPROVAL BY ACTING HEAD OF DEPARTMENT

It is recommended that approval be granted from the Acting Head of Department to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2016/2017- Prevention and Combating Fraud in SCM systems to award a contract to IHS Information and Insight being a sole service provider for an amount of R 304 000.00 (Three Hundred and Four Thousand Rand) for (Data Subscription) for a period of (One (1) year, from 1 August 2024 to 31 July 2025).

NAME	ROLE	SIGNATURE	DATE
Dr T. Ellenson	Acting Head of Department	Signed by: THANDEKA PRECIOUS ELL Signed at: 2024-06-18 22:34:05 +02:00 Reason: I approve this document. 	18/06/24

Comments



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**
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Purpose:

The Policy and Planning Unit act as an advisory body to the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) on matters of economic policy and the economy in general. The programme achieves the aforementioned objectives through publishing quarterly economic overview and regular sector analysis reports which track economic performance of various sectors in the province. The Unit's functions require data, in case where data is not available at Stats SA, the programme use private, secondary data. Secondary data is sourced from companies that uses an array of supplementary data and econometric techniques to the Stats SA data or census/surveyed data sets.

The purpose of this request is to appoint a service provider to supply socio-economic data services at a Global, National, Provincial, district/metropolitan and local municipal levels. The subscription is for a period of 12 months. The data is presented in a time series and downloadable in excel and where applicable includes forecasts.

Service required:

- Database must contain both macro and microeconomic indicators
- Indicators must be available for all levels; Global, National, provincial, district/metropolitan and local levels
- Data to provide historical data (at least 5 years)
- Database updated quarterly
- Data is available in either annual or quarterly format
- Grant access up to 20 user licenses
- Customisable selections of data tables presented in excel format
- Forecasts made available to appropriate datasets

Indicators: the database must contain indicators on different economic fields, including the following;

- Macroeconomic Service Module
- Industry Analysis Data Service
- International trade Data Service
- Regional Data Service

Experience

The service provider should provide web-based tool for customizing data selections by either by source, region, unit, concept or date/frequency.

Evaluation

The service provider must furnish the department with the following documents;

- Tax Clearance Certificate
- Declaration of Interest
- Quote for 12-month period
- B-BBEE certificate
- Registered on the National Treasury Central Supplier Database

Enquiries

Any questions or clarifications must be directed to:

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OR

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